

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

April 17, 2001

IN RE:)	
)	
ALL TELEPHONE COMPANIES TARIFF)	DOCKET NO.
FILINGS REGARDING RECLASSIFICATION)	97-00409
OF PAY TELEPHONE SERVICE AS REQUIRED)	
BY FEDERAL COMMUNICATIONS COMMISSION)	
(FCC) DOCKET 96-128)	

**ORDER APPROVING TARIFF NO. 01-00202
AND DENYING TARIFF NO. 01-00203**

This matter came before the Tennessee Regulatory Authority ("Authority") at the regularly scheduled Authority Conference held on April 3, 2001 for consideration of Tariff No. 01-00202 filed by Citizens Telecommunications Company of Tennessee ("CTT") on March 2, 2001 and Tariff No. 01-00203 filed by Citizens Telecommunications Company of the Volunteer State ("CTV") (collectively "Citizens") on March 2, 2001.

I. Factual and Procedural History

At a regularly scheduled Authority Conference on December 19, 2000, the Authority addressed, in part, the merits of Docket No. 97-00409, "the Payphone Docket." The Authority first determined that payphone access line rates should equal the sum of a monthly, flat rate and a usage rate.¹ The Authority next turned to calculating the carriers' rates and set the permanent monthly, flat rate for Citizens Telecommunications Company of Tennessee and Citizens Telecommunications Company of the Volunteer State.²

¹ See *Interim Order*, p. 15 (Feb. 1, 2001).

² See *id.* at 21-22. The Authority ordered a non-traffic sensitive rate of \$13.22 and a coin supervision rate of \$3.98 for CTT. The Authority ordered a non-traffic sensitive rate of \$17.78 and a coin supervision rate of \$3.98 for CTV. See *id.* at 22 & Exhibits 4 - 7. The addition of the coin supervision feature transforms the access line such that the intelligence for certain payphone features, such as coin-handling, reside in the local exchange carrier's switch, rather than the payphone set.

The Authority did not set the traffic sensitive rates for Citizens because the cost data provided by Citizens was insufficient.³ Instead, the Authority directed Citizens to file the necessary usage data no later than December 29, 2000. Citizens responded to the Authority's directive by filing usage data for CTT only. On January 8, 2001, Citizens filed usage data for CTV and a letter explaining that CTV does not have measured service available in its territory.

At the February 21, 2001 Authority Conference, the Authority unanimously found that CTT may charge a maximum per minute, payphone usage rate of \$0.00175.⁴ The Authority also found that, as to CTV, it needed to set a "single, monthly flat rate that recovers CTV's costs of the non-traffic sensitive portion of the payphone access line as well as associated usage."⁵ Thereafter, the Authority concluded that the "[a]pplication of the new services test methodology to the cost study and monthly, traffic sensitive costs per payphone access line data of CTV results in a monthly flat rate of \$20.54 for CTV."⁶ Lastly, the Authority ordered Citizens to file compliant tariffs no later than March 5, 2001.⁷

II. Findings and Conclusions

A. Tariff No. 01-00202

After reviewing Tariff No. 01-00202, the Authority made the following findings and conclusions:

- 1) Tariff No. 01-00202 establishes a flat rate of \$13.22 per month, a usage rate of \$0.00175 per minute of use, and a coin supervision rate of \$3.98 per month.
- 2) There are no separate charges for blocking and screening features.

³ At the Authority Conference held on November 21, 2000, the Authority asked Citizens to submit the average monthly minutes of use for payphone access lines for both companies. On November 29, 2000, Citizens responded by filing data that was not payphone-specific. Instead, the data was based on a 1996 traffic study that included 17,958 business lines. Because the calling patterns for measured business customers could substantially differ from the calling patterns for payphone lines, the Authority found, at the December 19th Conference, that it would not be appropriate to use the data to determine usage sensitive rates for payphone service.

⁴ *Second Interim Order*, p. 2. (March 2, 2001).

⁵ *Id.*

⁶ *Id.*

⁷ *See id.* at 3.

3) The tariff is compliant with the Authority's decisions as memorialized in the *Interim Order* and *Second Interim Order*.

Based on these findings and conclusions, the Authority voted unanimously to approve Tariff No. 01-00202 as filed on March 2, 2001 and to order that Tariff No. 01-00202 become effective immediately.

B. Tariff No. 01-00203

After reviewing Tariff No. 01-00203, the Authority made the following findings and conclusions:

1) CTV is not currently able to offer measured service.

2) Tariff No. 01-00203 establishes a flat rate of \$20.54, including usage, a coin supervision rate of \$3.96 per month, and a coin transmission line screening charge of \$2.00 per month.⁸

3) Tariff No. 01-00203 is not consistent with the Authority's decisions as memorialized in the *Interim Order* and *Second Interim Order* because the Authority did not order a separate rate for optional payphone screening features.

4) CTV had the opportunity to submit costs for additional services when it filed its cost study, but failed to do so. CTV should not be permitted to introduce a rate for optional payphone screening features after the fact. At this stage of the proceeding, the Authority can not ensure that the proposed rate is compliant with the new services test. If CTV believes that the payphone rate approved herein does not adequately recover the cost of screening functions, it may seek relief in another proceeding.

Based on these findings and conclusions, the Authority voted unanimously to deny Tariff No. 01-00203 and to order CTV to file a complaint tariff **no later than Friday, April 6, 2001**.

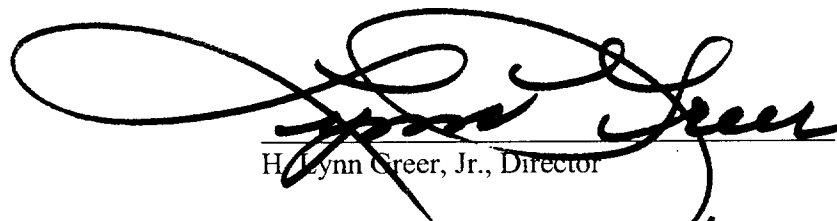
⁸ The optional screening services provided are "no third-number billing," "no collect calls," and "no operator completed sent paid calls."

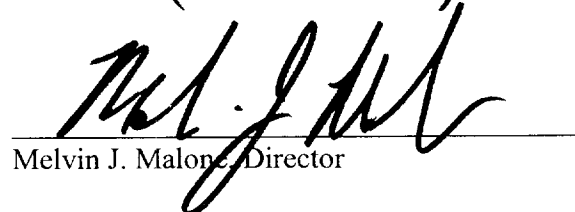
IT IS THEREFORE ORDERED THAT:

1) Tariff No. 01-00202 filed by Citizens Telecommunications Company of Tennessee on March 2, 2001 is approved and shall be effective as of April 3, 2001.

2) Tariff No. 01-00203 filed by Citizens Telecommunications Company of the Volunteer State on March 2, 2001 is denied. Citizens Communications Company of the Volunteer State shall file a compliant tariff, which provides for optional payphone screening features included in the access line rate, **no later than Friday, April 6, 2001.**


Sara Kyle, Chairman


H. Lynn Greer, Jr., Director


Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary